

21 November 1957

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT : External Research in the Economic Field

1. You asked me to find out from ORR their estimate of the external research projects in the economic field that had been initiated by other agencies without being cleared by the EIC.
2. ORR reports that Air Force contracts placed with the Rand Corporation constitute the greatest hole in the external research clearance procedure. They have no estimate of how much money is involved, although it must be considerable. The Air Force also failed to clear two projects in the population field conducted at Lackland Field, which totalled about \$150,000. In addition to these the Air Force spent over a million dollars on the Air Research Division at the Library of Congress, but Dr. Guthe believes that this facility should be regarded as an internal Air Force activity not properly classified as external research. In the case of the Rand Corporation, he feels that the failure to clear contracts arose primarily because these contracts were let by operations rather than by intelligence people in the Air Force.
3. The Army did not clear external research let in support of the NIS Program, and Dr. Guthe feels that it is not necessary for such projects to be cleared through the EIC.
4. The Navy's external research is almost entirely geographic and not appropriate for clearance through the EIC.
5. ICA is believed to have some external research in the labor field but in view of their tenuous associations with the State Department, Dr. Guthe does not feel that State was required to clear these projects through the EIC.

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